

## PRESS RELEASE

### Growth in the first nine months of 2015 for the Cattolica Group

#### PREMIUMS WRITTEN IN THE FIRST NINE MONTHS OVER 4 BILLION AND 100 MILLION IN PROFIT (+20.5%)

**Results as of September 30th, 2015 approved by the Board of Directors.  
Comments of the Chairman Paolo Bedoni and the Managing Director  
Giovan Battista Mazzucchelli.**

Total premiums written for 4,230 million (+1.1% compared with the third quarter of 2014), with a **consolidated net profit** of 100 million, up 20.5% compared with September 2014. P&C premiums for 1,423 million and life premiums for 2,796 million contributed to total direct business premiums written. The **combined ratio**<sup>1</sup> came to 92.5%. The **solvency margin** came to 1.96 times the regulatory minimum.

These are the main figures of the Interim management report as of September 30th, 2015 approved by Cattolica Assicurazione's Board of Directors which met today in Verona under the chairmanship of Paolo Bedoni.

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*Verona, November 11th, 2015* – The first nine months of the year disclosed growth for the Cattolica Group in the **consolidated net profit**, of 100 million, up 20.5% compared with the 83 million in the same period of 2014.

The **group net profit**<sup>2</sup>, amounting to 84 million, also reported an increase of 18.3% when compared with the 71 million in September 2014.

The results, having seen robust growth, also take into account writedowns on investments in the portfolio, mainly pertaining to banking equity investments, for around 30 million<sup>3</sup>, of which around 12 million in the third quarter.

**Total premiums written for direct and indirect business** - life<sup>4</sup> and P&C - came to 4,230 million, up 1.1% compared with 4,182 million as of September 30th, 2014.

#### **P&C business**

**Premiums written for direct business** rose from 1,246 million as of September 30th, 2014 to 1,423 million at the end of September 2015 (+14.2%) and take into account the premiums of Fata Assicurazioni, which joined the Group in June 2014.

The **motor segment** posted premiums written of 812 million, up 8.4% compared with September 30th, 2014. The Group also felt the effect of the generalised drop in the average premium on the market and even though it maintained prudent undertaking

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<sup>1</sup> Combined ratio of retained business: 1-(Technical balance/net premiums), inclusive of other technical items.

<sup>2</sup> Net of minority interests.

<sup>3</sup> Balances net of shadow accounting (for securities under segregated management schemes) and the tax effects.

<sup>4</sup> Includes insurance premiums and investment contracts for life classes as defined by IFRS 4.

policies, it increased the number of customers (over 88 thousand new motor policies sold from the beginning of the year; +3.0%<sup>5</sup>).

Premiums written for **non-motor classes** amounted to 611 million (+23%), up with respect to September 2014 and were increasingly focused on products intended for retail customers<sup>6</sup>.

The **combined ratio**<sup>7</sup> rose from 92.0% as of September 30th, 2014 to 92.5%, but disclosing an improvement with respect to June 30th, 2015 (93.4%).

Despite the highly competitive context, the technical result of the motor TPL class remained positive thanks to the average cost paid and a frequency in claims which were down slightly. The technical result of the non-motor classes disclosed a constant improvement, thanks to the restructuring and renewal initiatives on the portfolio carried out by the Group over the last few years, in particular in the general TPL and health classes.

### Life business

In the life sector, direct business premiums came to 2,796 million, down slightly with respect to September 30th, 2014 (-3.4%). The commercial commitment continued, for focusing the business mix on products with lower capital absorption; this gave rise to sharp growth in class III (+145.1%) and a drop by contrast in the traditional classes I and V (-16.3%). Furthermore, during the first nine months, almost all of the new issues of life policies subject to revaluation by the Group companies presented guaranteed minimum rates equal to zero.

### Financial operations and statement of financial position

The **result from investments**<sup>8</sup> came to 442 million (compared with 382 million as of September 30th, 2014).

**Investments** as of September 30th, 2015 amounted to 21,132 million (compared with 19,958 million as of December 31st, 2014).

Gross **technical provisions** for P&C business amounted to 3,559 million (3,583 million as at December 31st, 2014). Provisions for life business, which include financial liabilities, amounted to 16,335 million (15,218 million as of December 31st, 2014).

As of September 30th, 2015, the **consolidated shareholders' equity** amounted to 2,189 million (2,188 million as of December 31st, 2014, prior to distribution of dividends of the parent company and minority interests for around 70 million).

The Group's **solvency margin** came to 1.96 times the regulatory minimum.

### Sales network

The agency network at the end of September 2015 was made up of 1,537 agencies (of which 179 Fata Assicurazioni agencies) and the bank branches which place Group products as of September 30th, 2015 were 5,785.

<sup>5</sup> Figure relating to the period between January 1st, 2015 and October 23rd, 2015.

<sup>6</sup> The contribution from Fata, acquired in June 2014, on premiums written for P&C classes as of September 30th, 2015, came to 276 million (of which 151 million motor and 125 million non-motor). Group P&C premiums written, without including Fata, came to 1,147 million (-2.6%), of which motor 661 million (-6.2%) and non-motor 486 million (+2.8%).

<sup>7</sup> Combined ratio of retained business: 1-(Technical balance/net premiums), inclusive of other technical items.

<sup>8</sup> Financial assets excluding investments whose risk is borne by the policyholders, gross of the tax effects.

## Outlook for business activities

The situation of heavy competition within the insurance industry is expected to endure during the last quarter of year, in particular as regards the Motor TPL business; the improving performance of the core insurance business, observed during the first nine months, is nevertheless confirmed, unless events that are unpredictable at the present moment.

The overall result of the Group is expected to continue consistently with the guidelines outlined in the 2014-2017 Business Plan.

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Cattolica Assicurazioni's **Chairman, Paolo Bedoni**, declared: *"The figures for the first nine months of the year show the validity and the foresight of the choice made in September 2014 by approving a strategic business plan and a capital increase fully oriented to support both the growth and innovation of the Group. All this came during an extremely complex and volatile moment of the economic and financial crisis, especially because of the elements of instability within the eurozone.*

*By focusing the plan on innovation, Cattolica accepted the invitation to perform a strong and rapid change required by the effects of the crisis on the economic and social fabric and in particular on the lifestyles and consumption patterns of Italians. We are still in the heart of a challenging historic phase for a sector in which competition and polarization are increasing also because of stringent European regulations.*

*The figures for the third quarter show that Cattolica is growing and innovating by strengthening, and not only by preserving, the picture of capital and financial soundness outlined by the fundamental elements of its accounts. All this greatly enhances the strengths and the original features of the business model that we have built over the years: a model that withstood the crisis and that is prepared to seize the opportunities of a recovery that finally begins to take form".*

The **Managing Director** of Cattolica Assicurazioni, **Giovan Battista Mazzucchelli**, declared: *"The results as of September 30th consolidate the trend of steady and gradual growth in line with the targets of the business plan approved last autumn. The consolidated profit of 100 million, net of write-downs offset by good investment result, is recorded within a framework of capital soundness and technical profitability. The Group offsets the decline in the average motor premium, generalized on the market, by increasing the number of customers and by improving the technical result of non motor business. The decrease in life premiums during the second part of the year is, instead, a consequence of the decision to focus on products with lower capital absorption through a contraction in the traditional classes and a strong growth (+145.1%) in class III.*

*The Group is positively experiencing the phase of deep transformation set off by the business plan by including the project of digitization of the sales networks, their growing and balanced coordination and the accurate review of the range of products among some of the Group's qualifying strengths. The broadening of business horizons within the agrifood sector is gaining specific relevance, also thanks to the partnership with Coldiretti which followed the acquisition of Fata, focusing in particular on an innovative way of looking at agricultural risk management. Overall a strong progress of the Group along the line that links growth and innovation".*

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The executive appointed to draw up the corporate accounting documents, Giuseppe Milone, declares pursuant to Article 154 *bis*, section 2 of the Consolidated Finance Law, that the accounting disclosure contained in this press release corresponds with the documental results, the books and the accounting entries.

The Company hereby discloses that the Interim management report as of September 30th, 2015 of the Cattolica Group shall be available to the general public care of the Registered offices and on the company website at the following address [www.cattolica.it](http://www.cattolica.it) and on the storage mechanism authorised by Consob known as “NIS-Storage”, managed by Bit Market Services S.p.a. and accessible from the website [www.emarketstorage.com](http://www.emarketstorage.com), as per the formalities and within the timescales envisaged by current legal and regulatory provisions.

The results as of September 30th, 2015 shall be presented to the financial community at 9.30 a.m. on November 12th, 2015 during the conference call. The telephone numbers to call are as follows: + 39 02 802 09 11 from Italy, + 44 1 212818004 from the United Kingdom and +1 718 7058796 from the United States. The presentation relating to the results will be available on the homepage of the website [www.cattolica.it](http://www.cattolica.it) in the Investor Relations section.

*The reclassified Statement of Financial Position and Income Statement as of September 30th, 2015 are attached.*

SOCIETÀ CATTOLICA DI ASSICURAZIONE

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# Cattolica Group - CONSOLIDATED INTERIM MANAGEMENT REPORT AS OF SEPTEMBER 30th, 2015

(drawn up on the basis of the international accounting standards)

Reclassified statement of financial position (€ millions)	September 30th, 2015	December 31st, 2014	<i>Items from obligatory statements (*)</i>
<b>Assets</b>			
Investment property and properties	490	485	4.1 + 2.1
Investments in subsidiaries, associated companies and joint ventures	84	88	4.2
Loans and receivables	891	968	4.4
Held to maturity investments	248	253	4.3
Available for sale financial assets	15.401	14.543	4.5
Financial assets at fair value through profit or loss	3.752	3.200	4.6
Cash and cash equivalents	266	421	7
<b>Investments</b>	<b>21.132</b>	<b>19.958</b>	
Intangible assets	314	315	1
Technical provisions - reinsurance amount	739	727	3
Other assets net of other liabilities	473	605	(**)
<b>ASSETS</b>	<b>22.658</b>	<b>21.605</b>	
<b>Shareholders' equity and liabilities</b>			
Group capital and reserves	1.875	1.872	
Group profit (loss)	84	91	1.1.9
<b>Group shareholders' equity</b>	<b>1.959</b>	<b>1.963</b>	<b>1.1</b>
Shareholders' equity pertaining to minority interests	230	225	1.2
<b>Consolidated shareholders' equity</b>	<b>2.189</b>	<b>2.188</b>	<b>1</b>
Premium provision	696	773	
Provision for outstanding claims	2.863	2.810	
<b>Gross technical provisions - non-life</b>	<b>3.559</b>	<b>3.583</b>	<b>3</b>
<b>Gross technical provisions - life</b>	<b>14.807</b>	<b>13.928</b>	<b>3</b>
Other gross non-life technical provisions	2	2	3
Other gross life technical provisions	293	299	3
Financial liabilities	1.808	1.605	4
<i>of which deposits from policyholders</i>	<i>1.528</i>	<i>1.290</i>	
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>22.658</b>	<b>21.605</b>	

Reclassified income statement (€ millions)	September 30th, 2015	September 30th, 2014	<i>Items from obligatory statements (*)</i>
<b>Revenues and income</b>			
Net premiums	3.740	3.772	1.1
Commission income	4	2	1.2
Income and charges from financial instruments at fair value through profit or loss	21	82	1.3
<i>of which class D (***)</i>	<i>18</i>	<i>77</i>	
Income from investments in subsidiaries, associated companies and joint ventures	0	2	1.4
Income from other financial instruments and investment property	584	467	1.5
<i>of which changes in other financial liabilities</i>	<i>0</i>	<i>0</i>	
Other revenues	45	37	1.6
<b>Total revenues and income</b>	<b>4.394</b>	<b>4.362</b>	
<b>Costs and charges</b>			
Net charges relating to claims	-3.513	-3.639	2.1
Commission expense	0	-1	2.2
Charges from investments in subsidiaries, associated companies and joint ventures	0	0	2.3
Charges from other financial instruments and investment property	-130	-75	2.4
Operating expenses	-435	-370	2.5
<i>Commission and other acquisition costs</i>	<i>-305</i>	<i>-256</i>	
<i>Operating expenses relating to investments</i>	<i>-20</i>	<i>-18</i>	
<i>Other administrative expenses</i>	<i>-110</i>	<i>-96</i>	
Other costs	-138	-120	2.6
<b>Total costs and charges</b>	<b>-4.216</b>	<b>-4.205</b>	
<b>Pre-tax profit (loss) for the period</b>	<b>178</b>	<b>157</b>	
Taxation	-78	-74	3
<b>Net profit (loss) for the period</b>	<b>100</b>	<b>83</b>	
<b>Profit (loss) from discontinued operations</b>	<b>0</b>	<b>0</b>	<b>4</b>
<b>Consolidated profit (loss) for the period</b>	<b>100</b>	<b>83</b>	
Profit (loss) pertaining to minority interests	16	12	
<b>PROFIT (LOSS) PERTAINING TO THE GROUP</b>	<b>84</b>	<b>71</b>	

(\*) Indicates the items of the statements in the consolidated financial statements as per ISVAP Regulation No. 7 dated July 13th, 2007.

(\*\*) Sundry receivables, other asset items, and other tangible assets (statement of financial position items under assets = 5 + 6 + 2.2) net of the provisions, payables and other liability items (statement of financial positions under liabilities = 2 + 5 + 6).

(\*\*\*) Includes the Class D profits recognised in the operating expenses relating to investments amounting to less than € 2 million and revenues for commission amounting to € 1 million.